

## Goal: GOVERNMENTAL EXCELLENCE AND EFFECTIVENESS

### Desired Community Condition(s)

City services, operations, and finances are measured and audited, as needed, and meet customer needs.

### Program Strategy: OFFICE OF INTERNAL AUDIT

41501

To improve operational efficiency and cost effectiveness of city services, through independent appraisal, review and measurement of City operations and programs.

Department: **INTERNAL AUDIT**

### Service Activities

Office of Internal Audit

### Strategy Purpose and Description

The program strategy's purpose is to improve the operational efficiency and cost effectiveness of City services, through independent appraisal, review and measurement of City operations and programs. Service activities center around Performance Audits of the City's departments, programs and contractors. The functions consist of management audits, vendor/contract audits, payroll audits, cash handling audits and management advisory services. The purpose of each of the functions is to improve City operations through feedback and technical assistance. The Office of Internal Audit's customers include the City Council, City Administration, City employees at all levels and the citizens of Albuquerque. The customers have a common need for independent appraisal, review and measurement of City operations and programs.

### Changes and Key Initiatives

Audits have an increased focus on the City departments' effort toward achieving and measuring their stated objectives and related performance outcomes. End of Audit Survey's are being provided to audited entities to measure their valuation of the audit process and resulting recommendations. Audits of the FY/00, FY/01, FY02 and FY03 Year End close have been completed. The Internal Audit Ordinance was changed to the Accountability in Government Ordinance in December 2004. The Ordinance changed the name of the Department to the Office of Internal Audit and Investigations. An Internal Audit Division and an Inspector General will work together to assist the City in performing functions in an efficient and ethical manner.

### Input Measure (\$000's)

2001	110	110 GENERAL FUND	783
2002	110	110 GENERAL FUND	753
2003	110	110 GENERAL FUND	794
2004	110	110 GENERAL FUND	752
2005	110	110 GENERAL FUND	975
2006	110	110 GENERAL FUND	953

Strategy Outcome	Measure	Year	Project	Mid Year	Actual	Notes
Improve the operational efficiency of departments through acceptance of audit recommendations. Operations will be improved if the audited departments and programs accept the recommendations made as valid and useful during the audit process.	percentage of recommendations accepted by the audited entity or program at the time of the audit	2001	tbd		see notes	not tracked during FY2001

		2002	90%	90%	92%	% of recommendations accepted at time of audit
		2003	90%		95%	% of recommendations accepted at time of audit
		2004	90%		96%	% of recommendations accepted at time of audit
Improve the operational efficiency of departments through acceptance of audit recommendations. Operations will be improved if the audited departments and programs accept the recommendations made as valid and useful during the audit process.	<i>percentage of recommendations accepted by the audited entity or program at the time of the audit</i>	2005	90%		92%	
		2006	90%			

<b>Strategy Outcome</b>	<b>Measure</b>	<b>Year</b>	<b>Project</b>	<b>Mid Year</b>	<b>Actual</b>	<b>Notes</b>
Improve the operational efficiency of departments through their implementation of audit recommendations. Follow up reviews are generally conducted six months to a year after audit completion. The departments' efforts to implement recommendations are sometimes hampered by constraints which prevent or delay full implementation.	<i>Percentage of recommendations fully or partially implemented at the time of the follow-up review.</i>	2001	tbd		see notes	FY/01: 57% fully implemented 33% partially implemented
		2002	see notes		see notes	Projected: 75% fully implemented, 20% partially implemented Actual: 36% fully implemented, 55% partially implemented

	2003	see notes			<i>Projected: 75% fully &amp; 20% partially implemented</i> <i>Actual: 29% fully &amp; 43% partially implemented</i>
	2004	see notes	see notes	see notes	<i>Projected: 75% fully implemented, 20% partially implemented</i> <i>Mid-Year Actual: 37% fully implemented, 44% partially implemented</i> <i>Actual: 24% fully implemented, 51% partially implemented</i>
<i>Percentage of recommendations fully or partially implemented at the time of the follow-up review.</i>	2005	see notes		see notes	<i>Projected: 40% fully implemented, 40% partially implemented</i> <i>Actual: 28% fully implemented, 64% partially implemented</i>
	2006	see notes			<i>Projected: 30% fully implemented, 60% partially implemented</i>

# Goal: GOVERNMENTAL EXCELLENCE AND EFFECTIVENESS

Parent Program Strategy: OFFICE OF INTERNAL AUDIT

Department: INTERNAL AUDIT

Service Activity: Office of Internal Audit

4110000

## Service Activity Purpose and Description

The services delivered are Performance Audits of the City's departments, programs and contractors. The functions consist of management audits, vendor/contract audits, payroll audits, cash handling audits and management advisory services. The purpose of each of the functions is to improve City operations through feedback and technical assistance. Management advisory services are also provided at the request of departments. The Office of Internal Audit's customers include the City Council, City Administration, City employees at all levels and the citizens of Albuquerque. The customers have a common need for independent appraisal, review and measurement of City operations and programs.

## Changes and Key Initiatives

The Internal Audit Ordinance was changed in December 2004 to the Accountability in Government Ordinance. The Ordinance has added an Inspector General to work along side the Internal Auditor. The Internal Audit Division is preparing the Annual Audit plan using a risk assessment technique to select audits from the suggestions of Administration and Council staff. The responsibility to report on the status of audit recommendations will be placed with the audited entities for follow-up reviews.

## Input Measure (\$000's)

2002	110	110 GENERAL FUND	753
2003	110	110 GENERAL FUND	794
2004	110	110 GENERAL FUND	752
2005	110	110 GENERAL FUND	725
2006	110	110 GENERAL FUND	953

## Strategic Accomplishments

FY04: Continued review and analysis of department and program priority objectives and outcome measures as components of management audits. Completed Year-end Close audit for FY03 and quarterly budget reviews as required by Ordinance.

FY03: Provided timely quarterly expenditure and encumbrance reports to City Council. Assisted in the development of procedures to ensure a "level playing field" for managed competition and reviewed the proposal submitted by the City for the first managed competition. Assisted the Administration with the resolution of State Auditor findings

FY05 Analyzed the City-prepared proposal for the managed competition for the transport of arrestees to the Metropolitan Detention Center.

Participated on numerous committees and task forces at the request of the City Council and the Administration.

Output Measures	Year	Projected	Mid-Year	Actual	Notes
Complete Management, Vendor/Contract, Payroll and Cash Handling audits with recommendations for improvement of City operations, programs and contract management.	2001	25 audits		18 audits/7 follow-ups	
	2002	25 audits		18 audits/4 follow-ups	25 audits completed
	2003	25 audits		19 audits/10 follow-ups	audits completed
	2004	20 audits		13 audits / 5 FUPS	Audits Completed- audits have become increasingly complex, resulting in less completed but more comprehensive audits
	2005	20 audits		13 audits / 5 follow-ups	
	2006	20 audits			

<b>Output Measures</b>	<b>Year</b>	<b>Projected</b>	<b>Mid-Year</b>	<b>Actual</b>	<b>Notes</b>
Work in partnership with departments by responding to requests for assistance related to compliance with City rules and regulations, process development, process improvement and re-engineering.	2001	establish baseline		60 requests	
	2002	60 requests		41 requests recorded	
	2003	60 requests		72 requests	requests for assistance
	2004	60 requests	38 requests	65 requests	Requests for assistance from City departmentns, the Administration and City Council
	2005	60 requests		49 requests	Requests for assistance from City departmentns, the Administration and City Council
	2006	60 requests			

<b>Quality Measures</b>	<b>Year</b>	<b>Projected</b>	<b>Mid-Year</b>	<b>Actual</b>	<b>Notes</b>
Citywide savings and increases to revenues as a percentage of the Office of Internal Audit's costs.	2001	tbd		establish baseline	
	2002	85%			% response that audit added value
	2003	85%	100%	100%	% response that audit added value
	2004	85%		450%	response that audit added value
Citywide savings and increases to revenues as a percentage of the Office of Internal Audit's costs.	2005	85%		86%	
	2006	85%			

<b>Quality Measures</b>	<b>Year</b>	<b>Projected</b>	<b>Mid-Year</b>	<b>Actual</b>	<b>Notes</b>
Improve the efficiency and effectiveness of departments' operations through value added audit reports and recommendations. End of audit customer surveys will include a question regarding value added by the audit.	2001	200%		343%	
	2002	200%	400%	400%	
	2003	200%		685%	
	2004	80%		83%	
Improve the efficiency and effectiveness of departments' operations through value added audit reports and recommendations. End of audit customer surveys will include a question regarding value added by the audit.	2005	80%		86%	

2006	Average response above 3
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